

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF ARKANSAS**

IN RE: P.P.A. Hotels, LLC

**Case No. 5:09-bk-76140
(Chapter 11)**

**909 South 8th Street
Rogers, AR 72756**

**MOTION FOR RELIEF FROM STAY AND
FOR ABANDONMENT OF PROPERTY**

COMES NOW Arvest Bank ("Movant" or "Arvest"), and pursuant to Section 362 of Title 11, U.S.C. ("Code") requests that this Court issue its Order lifting the automatic stay in order to allow Arvest to seek Judgment on the debt owed to Arvest by Debtor and to pursue foreclosure of the real and personal property that secures that debt. Movant further requests that the Court issue its Order for abandonment with respect to any interest Debtor may have in and to certain real and personal property and/or business operations, as hereinafter described that secures the repayment of the debt owed to Arvest, pursuant to Section 554 of the Code. In support of its Motion, Movant states as follows:

1. On or about the 13th day of April, 2006, Debtor made, executed and delivered to Arvest Promissory Note numbered 3235278 (hereinafter referred to as "Note 1") in the principal sum of \$1,000,000.00, together with interest thereon at the rate of 8.190% per annum, payable in 240 payments of \$8,558.90 each, commencing on May 13, 2006, and continuing on the 13th day of each month thereafter for a total of 240 payments. A copy of Note 1 is attached hereto as Exhibit "A" and incorporated herein by reference.

2. Concurrent with the delivery of the Note 1, Mortgagors, Nahar Singh Dhesa; Bhinder Mundi; Harminder K. Dhaliwal; and Amrit Pal Kaur (collectively the "Individual Real Estate Owners"), made, executed and delivered to Arvest their Real Estate Mortgage by which they mortgaged to Arvest certain real property known as the "Rogers, Arkansas Super 8 Hotel", situated in Rogers, Benton County, Arkansas, described as follows, to-wit:

Part of Block 1 of Hailey and Fleeman Addition to the City of Rogers, also being Part of the NW1/4 of the NE1/4 of Section 13, Township 19 North, Range 30 West, Benton County, Arkansas, being more particularly described as follows:

Commencing at the Northwest corner of the NW1/4 of the NE1/4; thence South 86°33'10" East 459.90 feet to the West right of way line of South 7th Street; thence along said right of way line South 02°29'50" West 315.94 feet to a set rebar and the Point of Beginning; thence continue along said right of way line South 02°29'50" West 282.92 feet to an existing rebar; thence leaving said right of way line, North 86°26'16" West 416.90 feet to an existing rebar on the East right of way line of Highway 71; thence along said right of way line the following bearings and

distances: North 04°43'23" East 217.82 feet to a set nail, North 05°36'51" East 67.60 feet to a set rebar; thence leaving said right of way line South 86°05'23" East 404.82 feet to the Point of Beginning, containing 2.68 acres and subject to any easements of record (the "Real Property"),

which real estate mortgage was filed for record in the Office of the Circuit Clerk and Recorder of Benton County, Arkansas, on the 9th day of May, 2006 in Book 2006 commencing at Page 120169, a copy of which is attached hereto as Exhibit "B". The outstanding balance of Note 3235278 as of March 11, 2009, is in the sum of \$958,762.03, together with further interest accruing thereon at the rate of \$148.739874 per diem until paid. On or about March 9, 2007, and for good and valuable consideration, Debtor granted to Arvest a security interest in all inventory, accounts and other rights to payment, general intangibles and equipment, including all machinery, furniture, fixtures, and equipment, as described in said Security Agreement (the "Personal Property"), a copy of which is attached hereto as Exhibit "B-1" and incorporated herein by reference.

3. On or about the 12th day of June, 2007, Debtor made, executed and delivered to Arvest Promissory Note numbered 3569167 (hereinafter referred to as "Note 2") in the principal sum of \$200,000.00, together with interest thereon at the rate of 9% per annum, payable 36 payments, with 35 payments of \$1,818.00 beginning on July 15, 2007, and on the 15th day of each month thereafter, until June 15, 2010 when a final balloon payment of principal and interest would be due and payable in full. By the express terms and conditions of Note 2, Debtor granted to Arvest a further security interest in all inventory, accounts and other rights to payment, general intangibles and equipment, including all machinery, furniture, fixtures, and equipment, as described in said Security Agreement set forth in Note 2. A copy of Note 2 is attached hereto as Exhibit "C" and incorporated herein.

4. Concurrent with the delivery of the Note 2, Mortgagors, Nahar Singh Dhesa; Bhinder Mundi; Harminder K. Dhaliwal; and Amrit Pal Kaur, made, executed and delivered to Arvest their Real Estate Mortgage by which they granted a further mortgage covering the Real Property to Arvest, which mortgage was filed on in the office of the Benton County Circuit Clerk and Recorder on the 25th day of June, 2007 in Book 2007, commencing at Page 146667, a copy of which is attached hereto as Exhibit "D" and incorporated herein by reference.

5. There is due and owing on said Note 2 the sum of \$196,963.17 as of March 11, 2009, together with further interest thereon from and after March 12, 2009 in the sum of \$48.560585 per diem until paid.

6. Arvest Bank has been pursuing a foreclosure of the Real Property and the Personal Property in an action pending in the Circuit Court of Benton County, Arkansas, CIV-2009-2035-5, against P.P.A. Hotels, LLC; the Individual Real Estate Owners, and others (the "State Court Litigation"). By Order filed September 30, 2009 in the State Court Litigation, Leisure Hotels, LLC, was duly appointed as Receiver to manage and operate the Rogers Super 8 Hotel.

7. Leisure Hotels, LLC, in its capacity as Receiver, is continuing to operate said Rogers Super 8 Hotel. On information and belief, the Debtor owns and operates an adjoining

property known as the Rogers Microtel, which is the primary asset in this Chapter 11 proceeding. Debtor has no ownership interest in the Real Property described herein. Further, Debtor has no equity in the Personal Property as described herein, and it is not necessary for a reorganization and the stay of Section 362 should be lifted with respect to:

- a. The State Court Litigation - in order to allow completion of the foreclosure on the Real Property and on the Personal Property as described herein;
- b. With respect to the Receiver's continued operation of the Rogers Super 8 Hotel as described herein; and
- c. With respect to any interest claimed by the Debtor in or to any portion of the Real Property to allow Arvest Bank's completion of its foreclosure in the State Court litigation.

8. Relief from the stay of Section 362 is authorized for cause, including when there is no equity in such property and the property is not necessary for an effective reorganization.

9. Abandonment is appropriate pursuant to Section 554 of the Code when there is no equity in the property for the benefit of the estate. For the reasons set forth herein, Movant submits that Debtors have no equity or value in either the Real Property or the Personal Property described herein and that relief should accordingly be granted.

WHEREFORE, premises considered, Movant requests that the Court issue its Order lifting the automatic stay of Section 362 and abandoning the Property identified herein pursuant to Section 554 of the Code; and for such other and further relief as the Court deems just.

/s/ Jay B. Williams
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Gentry, Arkansas 72734
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Attorneys for Arvest Bank

CERTIFICATE OF SERVICE

This certifies that a true and correct copy of the above and foregoing pleading was transmitted electronically, or was mailed, postage prepaid, this 16th day of December, 2009, to the following:

U.S. Trustee Region 13
U.S. Bankruptcy Trustee
USTPRegion13.LR.ECF@usdoj.gov

P.P.A. Hotels, LLC
909 South 8th Street
Rogers, AR 72756

Stanley V. Bond
525 S. School Ave.
Suite 100
Fayetteville, AR 72701

together with others to whom
electronic notice is being sent
through ECF; and

mailed to the 20 largest
creditors as filed herein on
December 3, 2009, as shown
on Exhibit E attached hereto.

/s/ Jay B. Williams